

213

CODE OF BUSINESS CONDUCT AND ETHICS

Smithfield.

Good food. Responsibly.®

Our Common
Commitments



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Smithfield



Letter from Our Chief Executive Officer

To All of Our Employees:

We are living in a time when society is steadily raising the bar for businesses. Companies are expected to act with greater integrity and to comply with an ever growing body of business and legal requirements. Some companies are struggling to meet this challenge. At Smithfield we are fortunate to have a strong tradition of acting with integrity and fairness and of obeying the law.

The Smithfield Code of Business Conduct and Ethics sets forth the basic ethical and legal standards by which we will conduct our business. Throughout this Code, we use the term "our common commitment" to describe our shared responsibility to live up to high ethical and legal standards. If you do not share this commitment, then Smithfield is not for you.

We have built this Code around the core values that guide all aspects of Smithfield's business:

- To produce safe, high-quality, nutritious food
- To be an employer of choice
- To advance animal care
- To protect the environment
- To have a positive impact on our communities

In reading the Code, you will see on nearly every page the words ***SPEAK UP!*** We are doing everything we can to make speaking up easy to do and have provided various ways for anyone to raise a question or a concern. You can even make an anonymous report using the Smithfield Ethics Hotline. I promise that you will not be retaliated against for raising a question or reporting a concern.

I am confident that you will join me in keeping Smithfield a place where we can all be proud to work.

Kenneth M. Sullivan
President and Chief Executive Officer

INTRODUCTION



Our Common Commitment: Do the Right Thing

At Smithfield, we are committed to doing the right thing in all aspects of our business. Doing the right thing means acting in the best interests of those who are counting on us to do our jobs: our customers, our co-workers, our investors and the public. It means never doing anything that we would be ashamed to tell our families about or to see published in our hometown newspaper. It means acting with integrity toward each other and those outside Smithfield.

The commitment to do the right thing applies to each of us, regardless of position. The actions of any employee – whether good or bad – can reflect on all of us. That is why we call this our *common* commitment, because we are responsible to each other to do the right thing. It reflects a shared dedication to the highest ethical standards.

The Smithfield Code of Business Conduct and Ethics embodies that commitment. It describes situations in which we may be called on to do the right thing. The principles and examples contained in the Code reflect laws and regulations that apply to our business. It is critical that we obey both the letter and the spirit of the law and that we perform our duties with the utmost attention to ethical business practices.

All employees are asked to sign a statement that you have read the Smithfield Code of Business Conduct and Ethics, and that you will act in full compliance with the Code. Our obligation to do the right thing, however, does not end with reading the Code. We are expected to live it.

Now more than ever, people pay attention to our actions: what we do and say. They want to see if we are living up to our commitments. We want to be known as people who can be counted on to do the right thing. If you have a question as to what it means to do the right thing in any circumstance or if you think that any of us may be failing in our duty to live up to the Code, you have a responsibility to **SPEAK UP!** as described below. Smithfield is committed to a working environment in which employees feel comfortable and encouraged to **SPEAK UP!**, ask for help and raise concerns.

Q: *I think a co-worker has violated the Code and maybe even the law. I want to do the right thing and **SPEAK UP!**, but I am worried that I may lose my job if I do. What should I do?*

A: **SPEAK UP!** Smithfield policy prohibits retaliation against anyone for raising a concern or making any good faith report of misconduct.

Q: *How can the company protect me from retaliation?*

A: Smithfield will investigate all allegations of retaliation and will discipline the individuals involved – up to and including termination of employment.

* We will use the term "employee" throughout this document to refer to all of us at Smithfield – employees, part-time employees, contractors, executives and our board of directors.

Management Standards of Behavior

Those who are part of our corporate leadership, who are managers or who supervise other employees have a special responsibility to live up to this Code. You are often the first point of contact when an employee comes forward to raise concerns. It is critical that you be ready to listen carefully and respond appropriately.

Those you supervise and lead are watching your behavior. Your example as an ethical leader will do more to strengthen our culture of ethics and compliance than anything else we can do. You also have the responsibility of closely monitoring compliance with the Code of those you supervise and ensuring that third parties with whom our employees interact are aware of and comply with our policies and procedures.

SPEAK UP!

SPEAK UP! is the term we use to describe the right and responsibility of every employee to tell management about any behavior that does not meet the standards outlined in this Code or to ask a question about those standards.

The first step in asking questions or reporting most concerns is to speak with your supervisor or with your local human resources manager. If you do not receive a satisfactory response or if you feel uncomfortable raising an issue in this way, you should do the following:

1. Talk to a member of the Smithfield Law Department or one of the other compliance resources referred to in this Code.
2. Call the Smithfield Ethics Hotline at 1-877-237-5270. Calls to the hotline are confidential and can even be made anonymously, although the more information you provide to the operator who answers the call, the better we can

address your concerns. All reported violations of this Code received through the hotline are investigated.

Any report you make of suspected wrongdoing is confidential, and Smithfield will not tolerate retaliation against anyone for raising concerns, making good faith reports of misconduct or providing information as part of an investigation.

SPEAK UP!

Do the Right Thing

If you see anything that you suspect is improper or unethical, you have a duty to **SPEAK UP!** By doing so, you can provide information needed to remedy a potentially harmful situation. If you are not sure whether a situation requires you to **SPEAK UP!**, ask yourself the following questions:

1. Is the action consistent with The Smithfield Code of Business Conduct and Ethics?
2. Is the action legal?
3. Would I be comfortable if the action were made public?
4. Would I want it done to me?
5. Would the action be perceived positively by my family, co-workers, and Smithfield shareholders?

If the answer to any of these questions is "no," you should **SPEAK UP!** and ask for help!

If you are being harassed or see another employee (or anyone else in our facilities) being harassed, **SPEAK UP!** Tell a supervisor, your local human resources manager or take other action outlined in the **SPEAK UP!** section of this Code, including calling the Smithfield Ethics Hotline.

If you have a drug or alcohol problem, help is available to you; please refer to your benefits package or contact your local human resources manager for assistance and confidential referral. If you have questions regarding this policy or think another employee may be violating the standards described above, **SPEAK UP!**

Diversity and Equal Employment

Smithfield is committed to attracting, training and maintaining a diverse workforce that reflects our communities. We strive to implement a company culture that is inclusive, positive and performance-oriented. Having a diverse workforce allows us to benefit from a variety of perspectives and strengthens our global competitiveness.

Smithfield is an equal opportunity employer. We do not discriminate against any employee or any applicant because of race, color, religion, ethnic or national origin, gender, sexual orientation, age, disability, veteran status, or any other status protected by federal law. In addition, compliance with applicable employment laws, such as work authorization laws, is important to maintaining the stability and integrity of our workforce.

If you feel that you have been discriminated against, believe that someone else has been a victim of discrimination or have a question about Smithfield's anti-discrimination policy, **SPEAK UP!** Talk to your immediate supervisor, your local human resources manager or others in management. If you do not feel comfortable talking to a supervisor or manager, use the

resources outlined in the **SPEAK UP!** section of this Code, including the Smithfield Ethics Hotline.

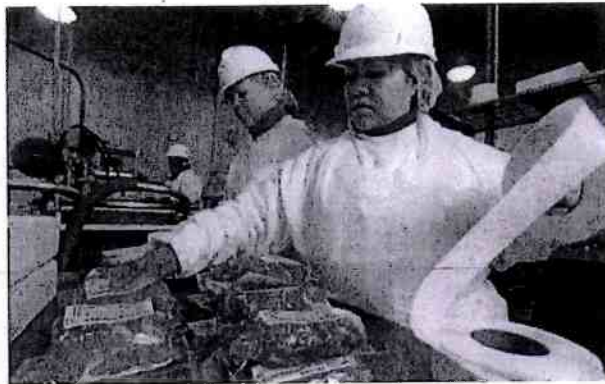
Harassment

Our employees have the right to work free from harassment. Smithfield regards harassment as any behavior that demeans, intimidates or offends an individual. To maintain a workplace free of harassment, we must avoid the following:

- Unwelcome conduct – whether verbal, physical or visual, and whether committed in person or by some other means (e.g., email) that is based on an employee's race, color, gender, sexual preference, national origin, religion, age, physical or mental disability, genetic information, veteran status or other legally protected characteristic
- Racial, ethnic, religious or sexual slurs or jokes
- Displaying derogatory or offensive posters, cards, calendars, cartoons, graffiti or drawings
- Bullying, abusive language, physical aggression, intimidating or violent behavior or disparaging comments
- Unnecessary or offensive touching or intentionally blocking someone's movement
- Sexual advances or requests for sexual favors
- Any other actions that unreasonably disrupt or interfere with an employee's work performance



This applies to all Smithfield employees and anyone else who does business with Smithfield. It applies both in the workplace and in work-related settings and activities outside the workplace.



If you are being harassed or see another employee (or anyone else in our facilities) being harassed, **SPEAK UP!** Tell a supervisor, your local human resources manager or take other action outlined in the **SPEAK UP!** section of this Code, including calling the Smithfield Ethics Hotline.

Human Rights

We will not tolerate human rights abuses, including the use of child, forced or compulsory labor in our operations or those of our contractors. If you are aware of any such abuses, **SPEAK UP!**

SPEAK UP!

Do the Right Thing

- Welcome and respect differences regarding race, gender, religion, background, etc.
- Be respectful of other employees in your actions.
- Do your part to keep our facilities free from substance abuse.

Q: *My supervisor is constantly yelling at us and today even threatened someone on our team. I don't think any of us believe that our supervisor would actually carry out the threat, but it makes me uncomfortable. What should I do?*

A: Smithfield's work environment must be free from harassment, including intimidating language. If threatening language is used in your workplace, **SPEAK UP!** using one of the resources listed in this Code.

Q: *A co-worker has repeatedly asked me for a date. I am not comfortable with this. What should I do?*

A: Talk to your local human resources manager or use the other resources described in this Code.